

Bulletin 20-07 Updated

Filing of 2019 Tax Returns and Payment of 2019 Owed Income Tax/Validation of Payment/Refund

This Bulletin has been updated to include revised policy; refer to highlight below

The federal government has enacted legislation that will allow taxpayers to defer the filing of tax returns and payment of any taxes owed for the 2019 tax year. **Taxpayers will not be required to file their tax returns, request an extension, or pay any taxes owed until July 15, 2020**

Due to this new legislation, Homebridge is amending our current policy regarding the validation of payment of any taxes owed. Brokers should carefully review the information below

Filing of 2019 Individual Tax Returns

Individual tax returns must be filed on or before July 15, 2020 **OR** evidence an extension has been filed is required. The following applies:

Loans Funding on or before July 14, 2020

- The borrower must sign the Tax Return Affidavit, certifying they have **not** filed their 2019 tax returns, **OR**
- The borrower must provide a copy of the filed 2019 tax return

Loans Funding July 15, 2020 and After

- A copy of the 2019 tax return (and 2018, if applicable), **OR**
- Evidence an extension was filed (and a copy of the 2018 return, if applicable)

Partnerships and S-Corps Reminder

The tax filing deadline for partnerships (Form 1065) and S-Corps (Form 1120-S) varies.

- Borrowers required to file by **March 16, 2020** (an extension was not granted by the IRS), Homebridge will require the following:
 - A copy of the borrower's tax return, **OR**
 - Evidence an extension was filed
- Borrowers with a filing deadline **on or after April 1, 2020** the policy detailed above under "Filing of 2019 Individual Tax Returns" applies.

Use of 2019 Income for Qualifying

If the borrower has filed their 2019 return the income from the 2019 **is only eligible for qualifying, if the income can be validated using one of the following:**

- The tax transcript is obtained, **OR**
- Evidence the borrower received and deposited their refund (e.g. bank statement) **OR** the refund is validated on the IRS website "Where's my Refund" **OR**
- Evidence any taxes owed have already been paid. If evidence the taxes owed have been paid cannot be provided, the tax transcript is required, or the 2019 income **cannot** be used

Homebridge's Tax Documentation and Transcript Requirements Quick Reference Guide will be updated to reflect this new guidance and posted on the Homebridge website under "Reference Guides – General" on the Working With Us page in the near future.

If you have any questions, please contact your Account Executive